

A RESOLUTION BY

TRANSPORTATION COMMITTEE

01-12-0927

A RESOLUTION GIVING APPROVAL AND CONSENT TO THE ASSIGNMENT BY AIRPORT GROUP INTERNATIONAL, INC., TO TBI AIRPORT MANAGEMENT, INC., OF THE PERMIT AGREEMENT FOR THIRD-PARTY OPERATOR SERVICES AND OF THE FIS MANAGEMENT AGREEMENT FOR FEDERAL INSPECTION SERVICES FACILITIES MANAGEMENT AT HARTSFIELD ATLANTA INTERNATIONAL AIRPORT; AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 2 TO SAID PERMIT AGREEMENT WITH TBI AIRPORT MANAGEMENT, INC., WHICH SHALL EXTEND THE TERM THEREOF FOR ONE YEAR, LIMIT THE SCOPE OF SERVICES, AND INCREASE THE COST TO THE CITY THEREUNDER BY AN AMOUNT NOT TO EXCEED \$690,000.00, TO BE CHARGED TO AND PAID FROM FUND ACCOUNT CENTER NO. 2H01 523001 R12007; AND FOR OTHER PURPOSES.

WHEREAS, the City did enter into a Permit Agreement for Third-Party Operator Services at Hartsfield Atlanta International Airport with Airport Group International, Inc. ("AGI") dated May 7, 1996, as amended by an Amendment No. 1, dated May 15, 1998, and the City did enter into an FIS Management Agreement with AGI dated May 28, 1980, as amended by Amendment No. 5 dated April 28, 1983; and

WHEREAS, on April 17, 2000, the AGI did convey, transfer, and assign to TBI all of AGI's right, title, and interest in and to the said Third-Party Operator Services Permit Agreement, and to the said FIS Management Agreement, subject to the approval and consent of the City to the assignments; and

WHEREAS, the Aviation General Manager and the Purchasing Agent of the Bureau of Purchasing and Real Estate have recommended that the City give approval and consent to the said assignments; and

WHEREAS, the City, as owner and operator of Hartsfield Atlanta International Airport, ("Airport") has an interest in providing high quality facilities and services for the benefit and convenience of the traveling public and others using the Airport; and

WHEREAS, AGI and TBI have performed services satisfactorily; and

WHEREAS, the Aviation General Manager recommends a one (1) year extension of the Third-Party Operator Services Permit Agreement to allow time to prepare and to process a formal request for competitive proposals for the award of a new Third Party Operator Services Agreement for the Department of Aviation; and

WHEREAS, the management and operation of the Concourse C Ground Control Tower and the Airport-Wide Flight Information Display System are part of the existing Third-Party Operator Services Permit Agreement, as amended, but it is now desirable and appropriate to limit the management and operation of Concourse Premises and Facilities thereunder to the currently existing common-use gates on Concourse D-South, as hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the assignment by Airport Group International, Inc., of its rights, title and interest in, to and under the said Permit Agreement for Third-Party Operator Services at

Hartsfield Atlanta International Airport to TBI Airport Management, Inc., be and hereby is approved on behalf of the City of Atlanta, and the Mayor be and hereby is authorized to execute an appropriate instrument evidencing such approval and giving consent on behalf of the City of Atlanta, with such assignment to be effective as of April 17, 2000.

BE IT FURTHER RESOLVED that the assignment by Airport Group International, Inc., ("AGI") of its rights, title and interest in, to and under the FIS Management Agreement dated May 28, 1980, as amended by Amendment No. 5 dated April 28, 1983, for management and operation of the Federal Inspection Services Facility in Concourse E at Hartsfield Atlanta International Airport, to TBI Airport Management, Inc., be and hereby is approved on behalf of the City of Atlanta, and the Mayor be and hereby is authorized to execute an appropriate instrument evidencing such approval and giving consent on behalf of the City of Atlanta, with such assignment to be effective as of April 28, 2000.

STILL FURTHER RESOLVED that the Mayor be and hereby is authorized to execute on behalf of the City of Atlanta an Amendment No. 2 to the Permit Agreement for Third Party Operator Services with TBI Airport Management, Inc., dated May 7, 1996, as heretofore amended by Amendment No. 1, dated May 15, 1998, and as assigned from AGI pursuant to the approval and consent by the City authorized hereinabove, which shall

- (a) extend the term thereof for one (1) year from June 1, 2001, through May 31, 2002,
- (b) provide for costs to the City thereunder for the operation of the Concourse C Ground Control Tower in an amount not to exceed \$600,000.00 and for the operation of the Airport-Wide Centralized Flight Information Display System (FIDS) in an amount not to exceed \$90,000.00, for a total additional cost to the City during the remainder of the term ending May 31, 2002, not to exceed \$690,000.00, to be charge to and paid from Fund Account Center No. 2H01 523001 R12007, and
- (c) limit the scope of services under Section 1.2, Concourse Premises and Facilities, of the Permit Agreement to the management and operation of Gates D1 to D5 on Concourse D-South, pursuant to and substantially in accordance with the "Management of Common Use Gates" attached hereto as Exhibit A and made a part hereof by reference.

STILL FURTHER RESOLVED that the City Attorney be and hereby is directed to prepare said Amendment No. 2 for execution by the Mayor, to be approved as to form by the City Attorney.

STILL FURTHER RESOLVED that the City Attorney be and hereby is directed to prepare appropriate instruments evidencing the approval and consent on the part of the City of Atlanta to the assignment by AGI to TBI of said Third-Party Operator Services Permit Agreement and of said FIS Management Agreement for execution by the Mayor, each to be approved as to form by the City Attorney.

BE IT FINALLY RESOLVED that Amendment No. 2 nor any instrument evidencing consent to assignment of said Permit Agreement or said FIS Management Agreement shall not become binding upon the City of Atlanta, and the City shall not incur any obligation or liability thereunder until the same have been signed by the Mayor and delivered to AGI and TBI.

City of Atlanta
Department of Aviation
Hartsfield Atlanta International Airport

**Scope of Services for Management of
Common Use Gates
Under Amendment No. 2
To the Third-Party Services Permit Agreement**

(1) ASSIGNED GATES.

Concourse D-South: Gates D1, D2, D3, D4, and D5.

(2) TERM.

The term hereof shall commence on the effective date of Amendment No. 2 as set forth therein and continue until the termination or expiration of the Third-Party Services Permit Agreement, as amended.

(3) SCOPE OF SERVICE.

- (a) TBI will continue to manage and operate the gates designated above so as to maximize the availability of same for use by scheduled airlines and charters designated by the Aviation General Manager or who have made arrangements for use of the gates as clients of AGI or other ground handling firms approved by the Aviation General Manager, subject to rules and procedures issued or approved from time to time by the Aviation General Manager.
- (b) TBI will collect fees and charges from users of the gates. Each user will be required to pay a use fee based on rates established from time to time by the Aviation General Manager. The initial rate schedule at the inception of this permit agreement is as follows:

Wide Body Aircraft arriving revenue flight:	\$100 each, \$100 overnight parking
Wide Body Aircraft departing revenue flight:	\$100 each
Narrow Body Aircraft arriving revenue flight:	\$ 75 each, \$100 overnight parking
Narrow Body Aircraft departing revenue flight:	\$ 75 each
Commuter Aircraft:	\$100 per turn, w/loading bridge use
Commuter Aircraft:	\$ 80 per turn, w/o loading bridge use
Commuter Aircraft:	\$ 50 overnight parking

Maximum Gate time per turn: Two and one-half hours for Wide Body Aircraft
One and one-half hours for Narrow Body Aircraft

Penalty charge for interference due to overtime use: \$100 per hour

The rate schedule shall be subject to change periodically by the Aviation General Manager upon sixty (60) days prior written notice to the scheduled airlines using the gates and to TBI by issuing a revised rate schedule.

EXHIBIT A

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TBI shall remit to the DOA all revenue collected from users of the Gates, less expenses previously approved by the Aviation General Manager in an annual budget, accompanied by a report to the DOA monthly of the amount and type of all revenue collected by TBI from the users and expenses paid by TBI pursuant to the approved annual budget, such report to be in a form to be determined and provided by the Aviation General Manager.

TBI will pay all expenses required for operation of the gates as itemized in the Current Budget attached hereto as Exhibit B. The DOA shall pay the M&O Charges from AATC and Operations Charges applicable to the gates. Any increase in Expenses above the amount not to exceed set forth in the Initial Budget shall be subject to approval of a revised budget by the Aviation General Manager.

(4) COMPENSATION.

- (a) Reimbursement of Expenses. The direct expenses incurred by TBI in providing the services described in Sections (1) and (3) above will be reimbursed to TBI through the fees collected from users of the DOA Gates, subject to prior approval by the Aviation General Manager of the type and amount of such expenses.
- (a) Fee for Services. TBI will receive a fee in the amount of \$1,500.00 per Gate per month, as of the commencement of the term hereof, subject to re-negotiation on each anniversary.

(5) AIRPORT SECURITY.

TBI will be responsible for compliance with FAA imposed airport security requirements in the use of the Gates by all users and all others. In the event that a security violation occurs on the premises of the above listed DOA Gates, and the City is assessed a civil penalty by the FAA as a result of such violation, then, in such event, TBI shall reimburse the City the amount of such penalty promptly upon receipt of invoice therefor from the DOA. TBI will provide for recovery of any penalty, not due to a violation by its own employees or invitees, from the user whose employee or invitee committed the violation resulting in such fine. TBI shall charge the amount of any un-collectible penalties to all users of the DOA Gates proportionately.

TRANSMITTAL FORM FOR LEGISLATION

To Mayor's Office: Greg Pridgeon

General Manager's Signature: _____

From: Originating Department: Aviation

Contact Person: Charles Fister (404-209-1700)

Committee of Purview: Transportation

Committee Deadline: 6/15/01

Committee Meeting: 6/27/01

Council Meeting: 7/02/01

CAPTION: A RESOLUTION GIVING APPROVAL AND CONSENT TO THE ASSIGNMENT BY AIRPORT GROUP INTERNATIONAL, INC., TO TBI AIRPORT MANAGEMENT, INC., OF THE PERMIT AGREEMENT FOR THIRD-PARTY OPERATOR SERVICES AND OF THE FIS MANAGEMENT AGREEMENT FOR FEDERAL INSPECTION SERVICES FACILITIES MANAGEMENT AT HARTSFIELD ATLANTA INTERNATIONAL AIRPORT; AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 2 TO SAID PERMIT AGREEMENT WITH TBI AIRPORT MANAGEMENT, INC., WHICH SHALL EXTEND THE TERM THEREOF FOR ONE YEAR, LIMIT THE SCOPE OF SERVICES, AND INCREASE THE COST TO THE CITY THEREUNDER BY AN AMOUNT NOT TO EXCEED \$690,000.00, TO BE CHARGED TO AND PAID FROM FUND ACCOUNT CENTER NO. 2H01 523001 R12007; AND FOR OTHER PURPOSES.

BACKGROUND/DISCUSSION:

In April 2000, AGI accomplished an internal Corporate restructuring and reorganization that divided its operations into two separate divisions for direct aircraft/passenger handling services and for airport terminal building management services. The airport terminal management division was incorporated and renamed "TBI Airport Management, Inc." The City's Law Department has determined that a formal assignment, with approval and consent from the City, is needed to correctly identify the new entity under the TPO Agreement and the FIS Management Agreement that are now held by TBI. Also, the TPO Agreement must be extended until May 31, 2002, to allow time for a formal bid or proposal process to award a new agreement. Finally, the cost to the City for the operation of the Concourse C Tower and the Airport Wide FIDS, two vital functions under the agreement, must be established and the FAC for the funding designated, because the City pays TBI directly for those costs. The costs associated with the management of the D-South Gates are paid from the revenue generated by the per-use fees collected by TBI from the users of those Gates. There are no direct payments by the City for management and operation of the Gates.

FINANCIAL IMPACT: \$690,000.00 per annum. **SOURCE:** Airport R&E Fund
Availability of funds and Fund Account Center number verified by Financial Analyst, Tracy Curry.

Mayor's Staff Only:

Received by Mayor's Office: 6/15/01 Reviewed: JP
(Date) (Initials) (Date)

Submitted to Council: _____

Action by Committee: ☐ Approved ☐ Adversed ☐ Held ☐ Amended
☐ Substituted ☐ Referred ☐ Other